

## AGENDA



Thursday, January 15, 2009

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 37**

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**Subject:** Approve the ratification of a contract with SOLAR TURBINE INC., Houston, TX, for the purchase and installation of a gas turbine for use at Mueller Energy Center in an amount not to exceed \$857,650.

**Amount and Source of Funding:** Funding in the amount of \$857,650 is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Shawn Harris, Buyer II / 505-7351

**Purchasing Language:** Critical Business Need.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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The Mueller Energy Center gas turbine suffered a major failure on Wednesday, August 13, 2008. In accordance with Austin Energy's Commodities Service Agreement and the associated contingency plan for Dell Children's Medical Center of Central Texas, it was imperative that the turbine be repaired or replaced as soon as possible.

In order to expedite procuring a repair on the failed turbine or a replacement gas turbine, the procurement was expedited on the basis of a Critical Business Need. The turbine then had to be removed from The Mueller Energy Center and sent to Solar Turbines in California where it was dismantled and evaluated for repair. After extensive examination and testing, it was determined that the repair of the failed turbine would be more expensive than the exchange price for a rebuilt turbine. Staff negotiated with the manufacturer and obtained a new turbine at a further discounted exchange price.

This turbine is expected to be completed, tested, and fully operational by mid-February.